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This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

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Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

Soldiers from the 5th Iraqi Army Division captured a suspected al-Qaida in Iraq cell leader February 15. The suspect is believed to be responsible for coordinating and carrying out several improvised explosive device and rocket attacks targeting civilians and Iraqi Security Forces in the area.

2. Transition Iraq to Security Self-Reliance

Thirty-seven firefighters from throughout Iraq are participating in an urban search and rescue program conducted at the Basrah Training College by an international team of urban search and rescue experts.

- 3. Help Iraqis to Forge a National Compact for Democratic Government Iraq's Council of Representatives unanimously endorsed a resolution supporting the new phase of the Baghdad Security Plan: "Operation Law and Order" and Iraqi Prime Minister Nuri al-Maliki has pledged that there will no longer be any political interference in military operations, adding that the operation is Iraqi-planned and is supported fully by the Iraqi government.
- 4. Help Iraq Build Government Capacity and Provide Essential Services
 According to the engineer at the 132Kv substation, Fallujah is getting 16 hours of power daily to distribute to the 17 sectors of the city. He also said the city sectors are getting between 6-8 hours per day (two on/ four off), a remarkable improvement considering Fallujah was getting about one hour of electricity per day just two weeks ago.

Highlights



5. Help Iraq Strengthen Its Economy

From January 28-31, USAID's Izdihar Private Sector Development Project conducted a workshop in Amman to prepare the Government of Iraq interministerial World Trade Organization (WTO) committee for their first WTO Working Party meeting in Geneva, which is likely to take place in March.

6. Help Iraq Strengthen the Rule of Law

The Central Criminal Court of Iraq convicted 13 terrorists February 2-10 for various crimes, including possession of illegal weapons, possessing fake identification, violating terrorism laws and illegal border crossing.

7. International Support for Iraq

Syria rejected a US proposal to discuss the Iraqi refugee crisis with Damascus, saying it would only talk with the US if the two countries spoke about all regional issues. The state-run al-Thawra newspaper said in an editorial that the US "when it raised the issue of dialogue" with Syria only wanted to discuss the repercussions of the Iraqi refugee problem while "ignoring the cause."

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

President Bush told reporters at a White House news conference February 14 that the Baghdad Security Plan is on track and the Iraqi government is meeting benchmarks necessary for continued Coalition cooperation.

[1.] Defeat the Terrorists and Neutralize the Insurgency



AQI Leader Captured:

- Soldiers from the 5th Iraqi Army Division captured a suspected al-Qaida in Iraq (AQI) cell leader February 15. The suspect is believed to be responsible for coordinating and carrying out several improvised explosive device and rocket attacks targeting civilians and Iraqi Security Forces (ISF) in the area.
- During the operation, in which Coalition Forces (CF) accompanied the ISF in an advisory role, several munitions caches were recovered. No civilian, ISF or CF casualties were reported.

US Post Raided by Insurgents:

- Insurgents launched a raid February 19 on a US military outpost north of Baghdad, killing two US soldiers and wounding another 17. Authorities said at least one suicide car bomber either rammed into or drove up beside two trucks carrying fuel into the base, igniting an explosion. Insurgents then opened fire with rockets mounted on a truck and from a nearby building.
- According to Iraq police officials and witnesses, US helicopters landed at least five times to evacuate casualties.
- The Iraqi Islamic State has claimed responsibility for the attack.

[2.] Transition to Security Self-Reliance – Iraqi Security Forces



Firefighters Learn Search and Rescue Techniques:

- Thirty-seven firefighters from throughout Iraq are participating in an urban search and rescue program conducted at the Basrah Training College by an international team of urban search and rescue experts.
- The 18-day course is designed to build the capacity to enter buildings that have collapsed and save the lives of people buried below the rubble. The program also trains the firefighters to assess a collapsed building's structural integrity so they can implement the correct steps to make it safe before entering to search for survivors.
- Coalition forces have provided more than \$1.2 million in equipment to conduct the training.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED
POLICE	~135,000***
NATIONAL POLICE	~ 24,400
OTHER MOI FORCES	~28,860
TOTAL	~188,260**

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~132,856***
AIR FORCE	~929
NAVY	~1,135
TOTAL	~134,920**

Total Trained & Equipped ISF:

~323,180****

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers
- *** Army numbers include Special Operations Forces and Support Forces
- **** Does not include the approximately 144,000 Facilities Protection Service personnel working in 27 ministries

Data as of February 20, 2007 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



CoR Unanimously Supports New Security Plan:

 Iraq's Council of Representatives (CoR) unanimously endorsed a resolution supporting the new phase of the Baghdad Security Plan: "Operation Law and Order" and Iraqi Prime Minister Nuri al-Maliki has pledged that there will no longer be any political interference in military operations, adding that the operation is Iraqi-planned and is supported fully by the Iraqi government.

<u>Iraqi President Claims Mahdi Army Leadership Ordered to Leave Iraq</u>:

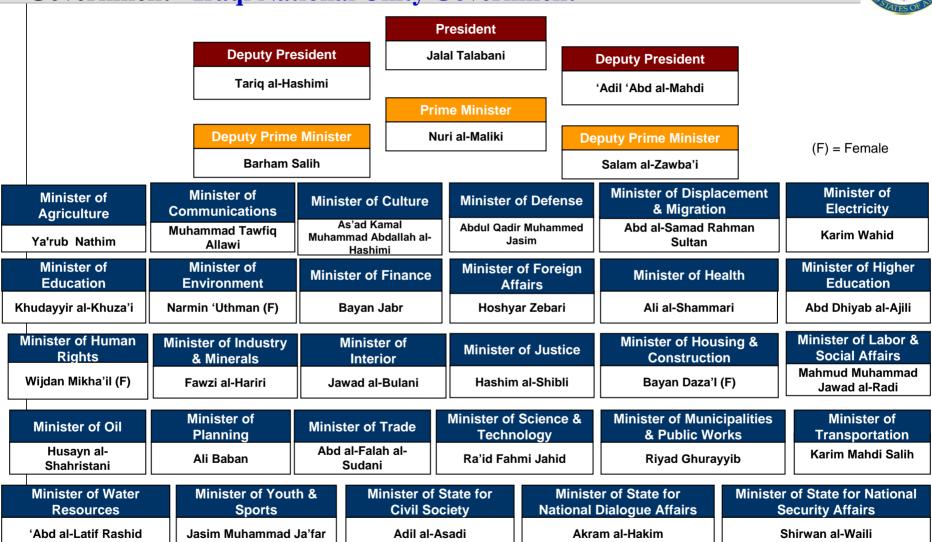
• Prime Minister Maliki has determined that any members of militias in Iraq must give up that membership or face being targeted under the new Iraq security plan. Iraqi President Jalal Talabani said he didn't know whether Shiite cleric Muqtada al-Sadr was in Iraq, but he said members of Sadr's Mahdi militia had been told to leave the country. He added that he "think(s) that there are many senior members of the Mahdi army (that) had received orders to leave Iraq to ease the security forces' mission to implement their plan."

<u>UN Welcomes US Refugee Plan</u>:

 The UN has welcomed the USG plan to accept up to 7,000 Iraqi refugees over the next 6-9 months. The USG has also pledged \$18 million to the UN High Commissioner for Refugees to help Iraqi refugees in the region, 30% of its annual appeal. The USG refugee plan will also afford special treatment to those Iraqis employed by the USG or with close association to the USG.

[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi National Unity Government





Minister of State for Foreign Affairs

Rafi Hiyad al-Isawi

Governorates Affairs Sa'd Tahir Abd Khalaf al-Hashimi

Minister of State for

Minister of State for Tourism and Antiquities Liwa Sumaysim Minister of State for Women's Affairs Fatin Abd al-Rahman Mahmud (F) Minister of State for CoR Affairs Safa al-Safi

UNCLASSIFIED

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



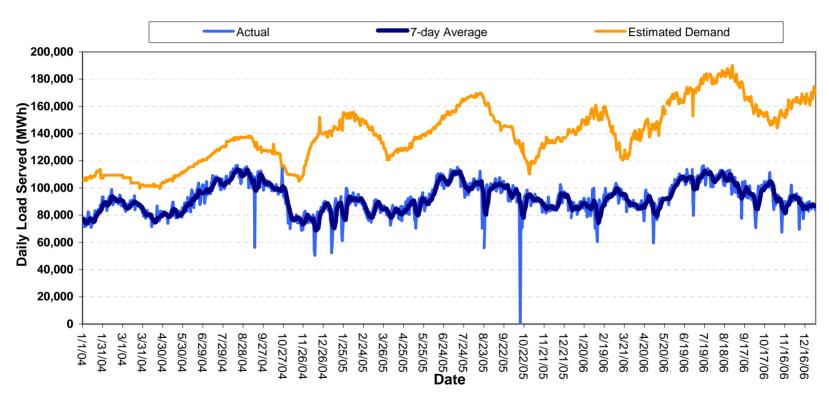
<u>(Millions of USD)</u>

(Millions of USD)										MESO
	Apportioned		Committed		Obligated			Disbursed		
Sector	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	\$5,002.59	\$4,988.66	\$4,988.67	\$0.00	\$4,986.20	\$4,986.20	\$0.00	\$4,721.36	\$4,723.95	\$2.59
Electricity Sector	\$4,239.51	\$4,224.15	\$4,224.15	(\$0.00)	\$4,081.68	\$4,081.96	\$0.28	\$3,075.68	\$3,090.09	\$14.40
Oil Infrastructure	\$1,724.70	\$1,677.11	\$1,677.11	\$0.00	\$1,583.54	\$1,583.54	\$0.00	\$1,341.68	\$1,344.47	\$2.79
Justice, Public Safety and Civil Society	\$1,304.15	\$1,303.93	\$1,303.93	\$0.00	\$1,297.72	\$1,297.72	\$0.00	\$1,014.00	\$1,016.49	\$2.49
Democracy	\$1,001.85	\$1,001.80	\$1,001.80	\$0.00	\$1,001.73	\$1,001.73	\$0.00	\$894.28	\$894.93	\$0.65
Education, Refugees, Human Rights, Governance	\$401.50	\$401.26	\$401.26	\$0.00	\$401.26	\$401.26	\$0.00	\$355.27	\$355.34	\$0.07
Roads, Bridges and Construction	\$333.60	\$331.94	\$331.94	\$0.00	\$324.58	\$324.58	\$0.00	\$212.39	\$214.23	\$1.84
Health Care	\$818.90	\$817.58	\$817.58	\$0.00	\$802.53	\$803.07	\$0.54	\$629.00	\$632.32	\$3.32
Transportation and Communications	\$464.12	\$464.09	\$464.09	\$0.00	\$458.28	\$458.29	\$0.016	\$341.91	\$342.59	\$0.68
Water Resources and Sanitation	\$2,131.08	\$2,119.78	\$2,119.79	\$0.01	\$2,048.37	\$2,049.94	\$1.57	\$1,456.13	\$1,481.97	\$25.83
Private Sector Development	\$813.95	\$813.95	\$813.95	\$0.00	\$813.95	\$813.95	\$0.00	\$766.61	\$766.99	\$0.39
Admin Expense (USAID, STATE)	\$213.00	\$212.45	\$212.45	\$0.00	\$212.45	\$212.45	\$0.00	\$164.24	\$164.24	\$0.00
Total	\$18,448.95	\$18,356.72	\$18,356.73	\$0.01	\$18,012.29	\$18,014.69	\$2.40	\$14,972.57	\$15,027.63	\$55.05
IRRF II Construction		\$10,572.55	\$10,572.53	(\$0.02)	\$10,249.96	\$10,252.36	\$2.40	\$8,142.19	\$8,191.54	\$49.35
IRRF II Non-Construction		\$6,782.36	\$6,782.39	\$0.03	\$6,760.60	\$6,760.60	\$0.00	\$5,936.10	\$5,941.16	\$5.05
IRRF II Democracy		\$1,001.80	\$1,001.80	\$0.00	\$1,001.73	\$1,001.73	\$0.00	\$894.28	\$894.93	\$0.65
IRRF I Total	\$2,473.30	\$2,473.30	\$2,473.30	\$0.00	\$2,232.3	\$2,232.3	\$0.00	\$2,139.00	\$2,139.0	\$0.00
Grand Total IRRF I & II	\$20,922.25	\$20,830.02	\$20,830.03	\$0.01	\$20,244.59	\$20,246.99	\$2.40	\$17,111.57	\$17,166.63	\$55.05

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



• During the week of February 15-21 electricity availability averaged 5.3 hours per day in Baghdad and 9.3 hours nationwide. Electricity output for the week was 4% below the same period in 2006.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity



Electricity:

Officer in Charge Major Angel Ortiz visited the US Army-funded-132Kv substation in Fallujah February 4. The engineer at the station told Major Ortiz that Fallujah is getting 16 hours of power daily to distribute to the 17 sectors of the city. He also said that city sectors are getting between 6-8 hours per day (two on/four off). That is a remarkable improvement over the situation just two weeks ago when Fallujah was getting about one hour of electricity per day.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil price averages in world markets for the week ending February 16 closed with the following prices:
 - Basrah Light at \$49.64/barrel

– Dated Brent at \$56.17/barrel

WTI Cushing at \$58.45/barrel

- Oman/Dubai at \$54.468/barrel

Employment Update:

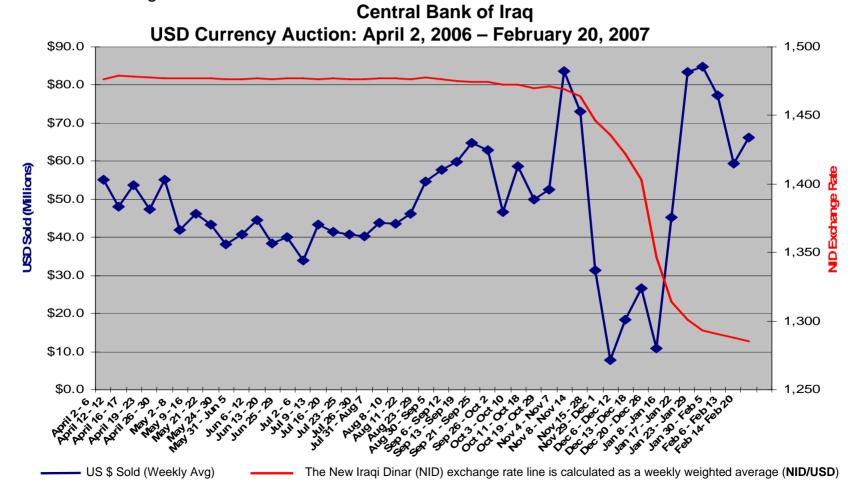
Iraqi Employment Per Organization	Iraqis Last Week	Iraqis This Week	% change
Gulf Region District (GRD) (Includes MILCON/OMA)	22,812	22,812	0.00%
US Agency for International Development (USAID)	33,868	19,279	-43.08%
Commander's Emergency Response Program (CERP) ²	3,973	3,973	0.00%
Multi-National Security Transition Command-Iraq (MNSTC-I)	10,950	12,104	10.54%
Iraq Reconstruction Relief Fund (IRRF) Non-Construction	6,396	6,396	0.00%
GRAND TOTAL	77,999	64,564	-17.22%

CERP employment numbers are representative of Baghdad only.

[5.] Help Iraq Strengthen Its Economy - Banking Sector

Central Bank's US Dollar (USD) Currency Auction:

 The following table shows volume sold of and exchange rates for USD in the Iraqi currency auction since April. Since September, the Central Bank has slowly appreciated the dinar, as suggested by the IMF, to tackle the past year's rampant inflation. This welcome increase in the dinar's value against the dollar is reflected in the figure below.



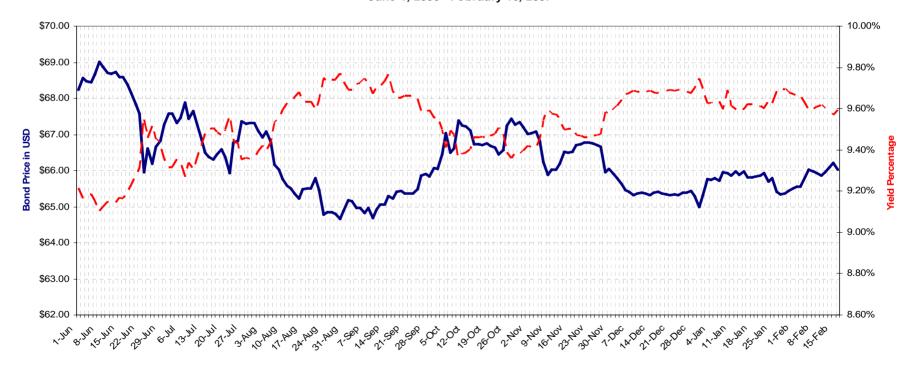
[5.] Help Iraq Strengthen Its Economy – Securities Markets



Trading of Iraqi Bonds on the International Secondary Bond Market:

• The following table shows the daily bond resale price and yield on Iraqi bonds issued January 20. The bonds were originally issued to approximately two-thirds of Iraq's commercial creditors as part of a debt exchange arrangement as per Paris Club terms. Iraq's commercial debt was approximately \$22 billion before the debt-swap arrangement. The bonds, which are not yet rated, will mature in 2028. The bonds' current yield of 9.6 percent remains one of the highest in the world for sovereign debt instruments.

Iraqi Commercial Bond Sales June 1, 2006 - February 16, 2007



15

Trading High = \$73.98 (January 24)

Trading Low = \$64.66 (August 30)

[5.] Help Iraq Strengthen Its Economy – Economic Events



<u>USAID Prepares Inter-Ministerial Committee for Iraq's First WTO Accession Meeting:</u>

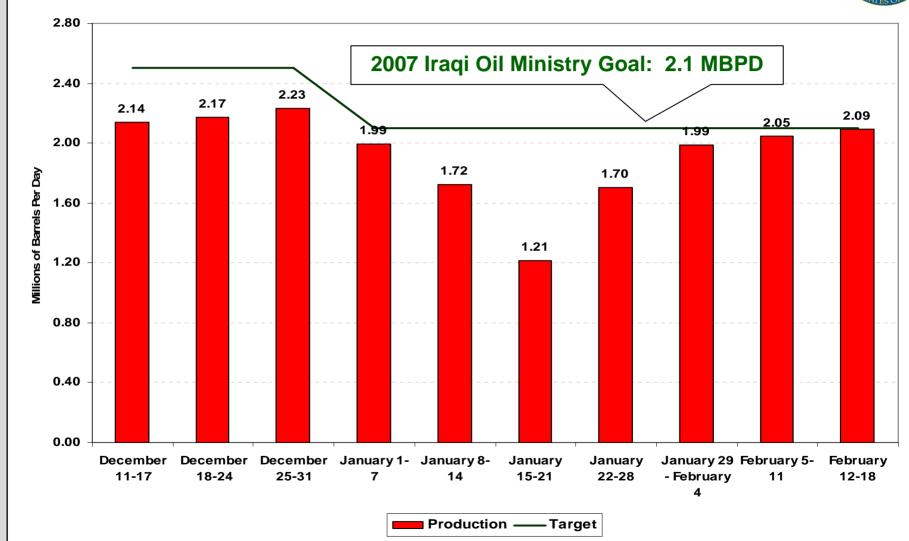
- From January 28-31, USAID's Izdihar Private Sector Development Project conducted a workshop in Amman to prepare the Government of Iraq (GOI) interministerial World Trade Organization (WTO) committee for their first WTO Working Party meeting in Geneva, which is likely to take place in March.
- Ten GOI officials from various ministries and one representative from the Iraqi
 Kurdistan region participated in simulations of Iraq's first Working Party meeting.
 Participants were also given advice and training on related future multilateral and bilateral negotiations.

Ministry of Planning Moving on Budget Execution:

- On February 15, Minister of Planning and Development Cooperation Dr. Ali Baban told Ambassador Tim Carney that two proposals for improving capital budget execution and contracting had been passed by the Council of Ministers.
- Minister Baban accepted Ambassador Carney's suggestion to consider deploying one or more mobile budget execution teams to assist multiple provinces in budget execution.

[5.] Help Iraq Strengthen Its Economy – Crude Oil Production

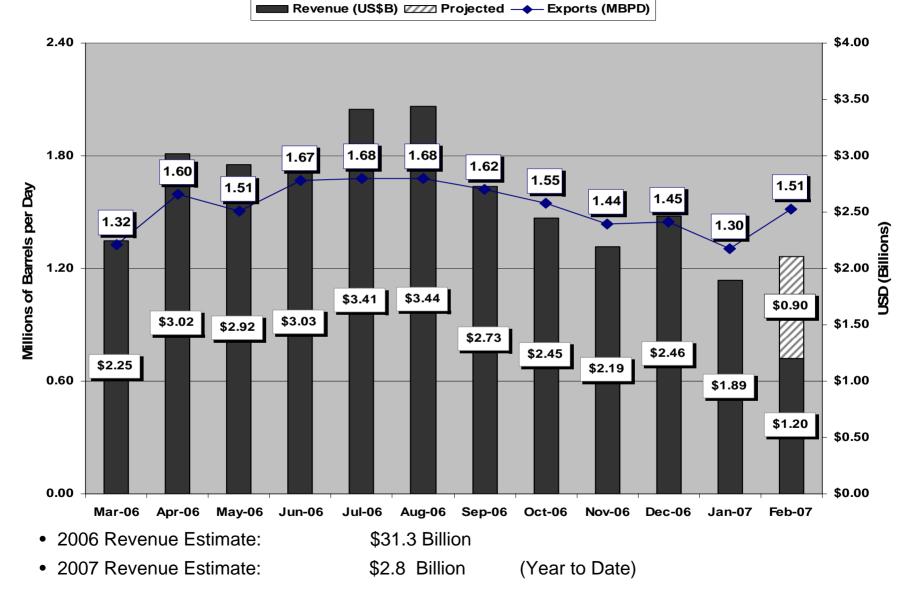




Weekly Average (February 12 − 18) of 2.09 Million Barrels Per Day (MBPD)

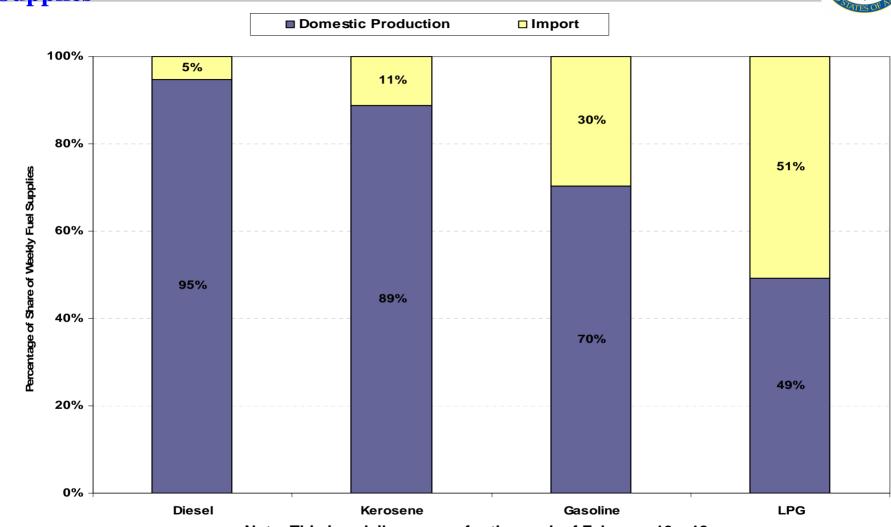
[5.] Help Iraq Strengthen Its Economy – Crude Oil Export





[5.] Help Iraq Strengthen Its Economy – Total Critical Refined Product

Supplies

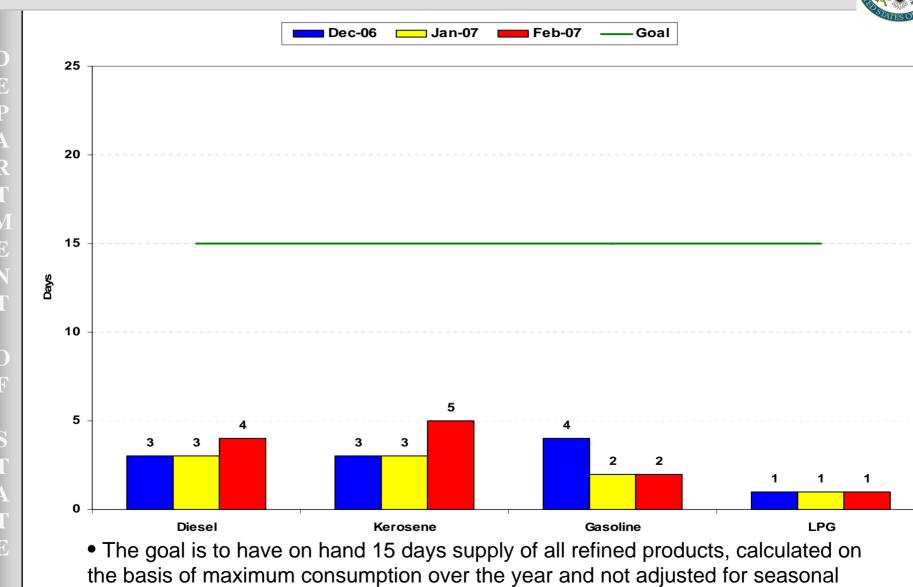


Note: This is a daily average for the week of February 12 - 18

- Diesel: 9.9 ML supply of 21.0 ML target
- Kerosene: 5.5 ML supply of 15.5 ML target
- Gasoline: 12.6 ML supply of 22.1 ML target
- LPG: 3,126 tons supply of 5,500 tons target

[5.] Help Iraq Strengthen Its Economy – National Stock Levels





variation. The numbers given above are monthly averages.

[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights— Iraqi Judicial System



CCCI Convicts 13 Insurgents:

- The Central Criminal Court of Iraq (CCCI) convicted 13 terrorists February 2-10 for various crimes, including possession of illegal weapons, possessing fake identification, violating terrorism laws and illegal border crossing.
- The trial court found an Iraqi man guilty of violating the Anti-Terrorist Law. On November 24, 2004, the Iraqi Army and Coalition Forces (CF) were searching vehicles at a gas station near Khalidiyah when CF approached the defendant's vehicle and asked him to open the trunk. Forces discovered a 130mm artillery round along with wires, detonation strips and an improvised explosive device behind the driver's seat. On February 7, the trial panel found the defendant guilty and sentenced him to death.
- Since its reorganization, under an amendment to Coalition Provisional Authority order 13, in April 2004, the CCCI has held 1,867 trials for Coalition-apprehended insurgents. The proceedings have resulted in the conviction of 1,607 individuals with sentences ranging up to death.

[7.] Increase International Support for Iraq – Developments



Syria Rejects US Proposal to Hold Refugee Talks:

Syria rejected a US proposal to discuss the Iraqi refugee crisis with Damascus, saying it would only talk with the US if the two countries spoke about all regional issues. The state-run al-Thawra newspaper said in an editorial that the US "when it raised the issue of dialogue" with Syria only wanted to discuss the repercussions of the Iraqi refugee problem while "ignoring the cause."

<u>Iraqi Quality of Life Deteriorating for Decades:</u>

 According to a study released by a division of the Iraqi government and the United Nations Development Program, one-third of Iraqis live in poverty and Iraqi living standards deteriorated considerably compared with the 1970s and 1980s, particularly in the area of access to, and quality of, water, electricity and sanitation, as well as employment, income, and asset ownership.

Additional Australian Trainers "Will Help Secure Iraq":

 Australian Defense Minister Brendan Nelson confirmed February 20 that Australia will send around 70 extra trainers to Iraq in response to a request from Iraqi Prime Minister Nuri al-Maliki last year to assist the Iraqi Army and police. Treasurer Peter Costello said the 70 additional Australian trainers heading to Iraq are needed to allow Iraqi forces to take hold of security. "If the Iraqis are going to manage the situation, they have to have trained security forces which can take over from Australian troops and other troops."

[7.] Increase International Support for Iraq – Developments



Lithuania "Seriously Considering" Withdrawing Troops from Iraq:

 A Lithuania government spokeswoman said February 21 that Lithuania is "seriously considering" withdrawing its 53 troops from Iraq.

Britain to Cut Forces to 5,500 in 2007:

 British Prime Minister Tony Blair said February 21 that Britain would reduce its troop levels in Iraq by 1,600 over the coming months. British troops will remain in Iraq through 2008.

Denmark to Withdraw Iraq Contingent in August:

 Denmark's Prime Minister Fogh Rasmussen said his country will withdraw its 460member contingent from Iraq by August and transfer security responsibilities to Iraqi forces. Rasmussen said Denmark will replace the troops with surveillance helicopters and civilian advisors.

[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations



Data as of February 19, 2007

25 Countries with forces in Iraq (in addition to US)

Denmark	Lithuania	Slovakia
El Salvador	Macedonia	South Korea
Estonia	Moldova	Ukraine
Georgia	Mongolia	UK
Japan	Poland	
Kazakhstan	Romania	
Latvia	Singapore	
	El Salvador Estonia Georgia Japan Kazakhstan	El Salvador Macedonia Estonia Moldova Georgia Mongolia Japan Poland Kazakhstan Romania

TOTAL ~ 14,010 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

34 Countries and NATO*

(including US)

Support Iraqi Stability Operations

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents – Developments



President Speaks to Reporters about BSP:

- President Bush told reporters at a White House news conference February 14 that the Baghdad Security Plan (BSP) is on track and the Iraqi government is meeting benchmarks necessary for continued Coalition cooperation.
- The president added that Iraqi Prime Minister Maliki has his top commander in place and forces are busy setting up a command-and-control headquarters in Baghdad. Bush cautioned, however, that the plan is still in its early stages.
- Bush also noted that other benchmarks met by the Iraqi government include the recent passing of its \$41 billion budget, and the fact that Iraqi lawmakers are working to pass the country's oil revenue law.

Iraq Weekly Status – General Information



- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

Notes and Source Citations (1 of 3)



Slide 5:

- The Advisor, "Iraqi Army Captures al-Qaida Cell Leader," February 17
- The Los Angeles Times, "Insurgents Strike US Outpost in Iraq," February 20

Slide 6:

The Advisor, "Learning Urban Search and Rescue," February 17

Slide 7:

DoD Input to Iraq Weekly Status Report February 21, 2007

Slide 8:

- http://www.gxonline.com/gxintelnews?id=38481
- http://edition.cnn.com/2007/WORLD/meast/02/18/iran.sadr/
- http://news.bbc.co.uk/2/hi/middle_east/6362289.stm

Slide 9:

- NEA Political Section, NEA-I-POL-DL@state.gov

Slide 10:

IRMO Weekly Report, February 20, 2007

Slide 11:

- POC Bob Means (202) 647-9815
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:

Electricity:

USACE Daily Report – 15 February 07

E P A R T M E N

O F

Notes and Source Citations (2 of 3)



Slide 13:

- Oil Prices are sourced from Bloomberg

Employment Update:

- Information regarding the Employment Update was sourced from the IRMO Weekly Report February 20, 2007.
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 14:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org

Slide 15:

Iraqi Bond Prices are sourced from Bloomberg

Slide 16:

- http://www.baghdad.state.gov NEA-OI for February 14, 2007
- DoS IIC- Feb 16- Unclassified

Slide 17:

Department of State, NEA-I-ECON, 202-647-9885

Slide 18:

Department of State, NEA-I-ECON, 202-647-9885

Slide 19:

- Department of State, NEA-I-ECON, 202-647-9885

Slide 20:

Department of State, NEA-I-ECON, 202-647-9885

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Notes and Source Citations (3 of 3)

Slide 21:

http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=9915&Itemid=21

Slide 22:

- http://www.un.org
- http://www.theaustralian.news.com.au/story/0,20867,21255705-1702,00.html

Slide 23:

- http://news.yahoo.com/s/ap/20070221/ap_on_re_eu/lithuania_iraq;_ylt=AvBYIAjVMEotzTLZe.KbD0JWbBAF
- http://news.yahoo.com/s/afp/20070221/wl_mideast_afp/iraq_10;_ylt=Ao479KYspKP2x6iZI5keSyyaOrgF

Slide 24:

DOD Input to Weekly Status Report, updated bi-weekly

Slide 25:

The Advisor, "Bush Says Baghdad Security Plan on Track," February 17